

Understanding your 2015 W-2

Purpose	To assist Vermont State Employees in understanding the information represented on their 2015 W-2.
Source Documents	2015 W-2 Wage and Tax Statement.

2015 W-2 INFORMATION

General Information	Provide assistance for SOV employees with understanding information represented on 2015 W2.
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The image shows a sample Form W-2 Wage and Tax Statement for the year 20XX. The form is divided into several sections for providing employee and employer information, and reporting wages, taxes, and benefits. Key boxes include: 1a (Employee's name, address, and ZIP code), 2 (Federal income tax withheld), 3 (Social Security wages), 4 (Social Security tax withheld), 5 (Medicare wages and tips), 6 (Medicare tax withheld), 7 (Social Security tips), 8 (Social Security tax on tips), 9 (Advance EIC payment), 10 (Dependent care benefits), 11 (Nonqualified plans), 12a (Health, dental, vision, and other benefits), 12b (Health, dental, vision, and other benefits), 12c (Health, dental, vision, and other benefits), 12d (Health, dental, vision, and other benefits), 13 (Employer identification number (EIN)), 14 (Other), 15 (State), 16 (State wages, tips, etc.), 17 (State income tax), 18 (Local wages, tips, etc.), 19 (Local income tax), and 20 (Total). The form also includes a section for the employee's signature and the employer's signature.

Box 1 This is the total taxable wages paid. The amount has been adjusted for any amounts shown in Boxes 10, 12a, 12b, 12c, 12d, and 14.

Total Taxable Gross Wages: (12/24/15 Pay Advice)

Subtract **-Pre-Tax Medical** (Box 14-MEDBT)

Subtract **-FSA: Dependent** (Box 10)

~ **FSA: Medical** (Box 14-FSAMD)

Subtract **-Deferred Compensation** (Box 12-Code G)

Subtract **-Retirement** (Box 14-RETIRE)

Add **-Taxable Life Insurance** (Box 12-Code C)

Add **-Domestic Partner Imputed Income or Civil Union** (Box 14-IMPUTD)

Box 2 This figure includes all federal taxes withheld from paychecks received from the State of Vermont during the calendar year. (*per employee W4*)

Box 3 These are the wages subject to Social Security (*up to gross wage amount of \$118,500*).

Social Security Tax, also known as Old-Age, Survivors, and Disability Insurance (OASDI), is a tax that pays for benefits to entitled beneficiaries.

Total Taxable Gross Wages: (12/24/15 Pay Advice)

Subtract **-Pre-Tax Medical** (Box 14-MEDBT)

Subtract **-FSA: Dependent** (Box 10)

~ **FSA: Medical** (Box 14-FSAMD)

Add **-Taxable Life Insurance** (Box 12-Code C)

Add **-Domestic Partner Imputed Income or Civil Union** (Box 14-IMPUTD)

Box 4 This figure includes all social security taxes withheld for checks received from the State of Vermont during the calendar year. This is 6.2% of Box 3 up to \$7,347.00 Max.

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Box 5	<p>These are wages subject to Medicare Tax (<i>no maximum</i>).</p> <p>Medicare tax, also known as Hospital Insurance (HI), is a tax that pays for hospital benefits for people covered by Medicare.</p> <p>Total Taxable Gross Wages: (12/24/15 Pay Advice) Subtract-Pre-Tax Medical (Box 14-MEDBT) Subtract -FSA: Dependent (Box 10) ~ FSA: Medical (Box 14-FSAMD) Add-Taxable Life Insurance (Box 12-Code C) Add-Domestic Partner Imputed Income or Civil Union (Box 14-IMPUTD)</p>
Box 6	<p>This figure includes all Medicare taxes withheld from paychecks received from the State of Vermont during the calendar year. This is 1.45% of Box 5.</p> <p>*Additional .9% is withheld on gross wages earned in excess of \$200,000.</p> <p>$\text{Box 6} = (\text{Box 5} \times 1.45\%) + ((\text{Box 5 amount in excess of } - \\$200,000) \times 0.9\%)$</p>
Box 7	N/A
Box 8	N/A
Box 9	N/A
Box 10	Box 10 shows contributions to Dependent Care made through your flexible spending account via payroll deductions. Contributions are not subject to Federal, Social Security, Medicare or your State taxes.
Box 11	N/A
Box 12	<p>This box contains an employee's benefit amounts. The benefit amounts are identified by letter codes and some of the most commonly shown codes are:</p> <ul style="list-style-type: none"> C. This amount is the taxable portion of your State Group Life Insurance coverage in excess of \$50,000. It is determined from an IRS tax table and reduced by life insurance premiums deducted from your payroll checks. Your taxable gross in (Boxes 1, 3, 5, & 16) have been increased by this amount. G. This amount is the total deducted from your payroll checks for contributions to an IRS Section 457 Deferred Compensation plan. Reduces Federal & State withholding wages (Box 1 & 16) but not FICA (Box 3 & 5). L. Substantiated employee business expense reimbursements (non-taxable only) P. Excludable moving expense reimbursement paid directly to the employee. Do not report amounts in (Boxes 1, 3 & 5). Q. This amount is the total from your Non-taxable Combat Pay. DD. Cost of Employer-Sponsored health coverage. The amount reported with the DD Code is not taxable. It is informational only. Your taxable gross in (Box 1, 3 & 5) have not been increased by this amount. EE. This amount represents after-tax Roth Contributions under the 457 Deferred Compensation Plan. Your taxable gross in (Boxes 1, 3, 5, & 16) have been increased by this amount.
Box 13	If you were paid wages that were covered under the State of Vermont Retirement Plans, then the Retirement Plan Box will be checked.

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Box 14

Only four lines will print in Box 14. If you participate in more than four of the items listed here, refer to your final pay statement in ESS to identify additional items.

- L. RETIRE** - Employee contributions to retirement plans. Reduces Federal & State withholding wages (Box 1 & 16) but not FICA (BOX 3)
- N. IMPUTD** - Imputed income – The value of health/dental insurance coverage for employees who elect coverage for Civil Union & Domestic Partners. This amount is added into (Boxes 1, 3, 5) (& Box 16 *for domestic partners only*).
- M. MEDBT** - Health insurance premiums taken as a pre-tax payroll deduction. Pre-tax contributions reduce taxable wages in Box 1, Box 16 for State wages and Social Security and Medicare wages in Boxes 3 & 5
- K. MEDAT** – Health insurance premiums taken as after-tax payroll deduction.
- O. FSAMD** – FSA Medical taken from pre-tax payroll deduction. Only pre-tax contributions reduce taxable wages in Box 1, Box 16 for State wages and Social Security and Medicare wages in Boxes 3 & 5.
- R. VTSHR** – VT Shares contributions taken as an after-tax deduction.
- P. MOVEXP** – Moving expense reimbursement.
- Q. VHEIP** – VT Higher Education Investment Program contributions taken from after-tax payroll deductions.
- V. DUES** – VSEA Union Dues taken as an after-tax deduction.

Box 15

State Code - typically **VT**.

Box 16

State wages, tips, etc. - Normally, this box contains the total year-to-date State Taxable wages. To determine the total shown in Box 16, see instructions for Box 1. (Election of Domestic Partner benefits may affect this box).

Total Vermont Taxable Gross Wages: (12/24/15 Pay Advice)

Subtract-**Pre-tax Medical** (Box 14-MEDBT)

Subtract -**FSA: Dependent** (Box 10)

~ **FSA: Medical** (Box 14-FSAMD)

Subtract -**Deferred Compensation** (Box 12-Code G)

Subtract -**Retirement** (Box 14-RETIRE)

Add-**Taxable Life Insurance** (Box 12-Code C)

Add-**Domestic Partner Imputed Income** (Box 14-IMPUTD), for Total in (Box 1)

Box 17

Employee State Withholding taxes YTD. (*per employee W4*)

If you have outstanding questions regarding your W2 data, please contact the VTHR Helpdesk at (802) 828-6700 option 1, option 2 for Payroll or send an email to vision.payroll@vermont.gov with your inquiry.